



DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Agency Information Collection Activities: Supplemental Nutrition Assistance Program: Reporting of Lottery and Gambling, and Resource Verification

AGENCY: Food and Nutrition Service (FNS), USDA.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice invites the general public and other public agencies to comment on this proposed information collection. This is a revision of a currently approved collection and existing burden in use without a valid OMB control number in the Supplemental Nutrition Assistance Program (SNAP). This information collection captures the burden associated with the requirement that States make ineligible SNAP participants with substantial lottery or gambling winnings and establish cooperative agreements with gaming entities within their States to identify SNAP participants with substantial winnings. Individuals and households are required to report substantial winnings. This revision removes the one-time start-up burden hours that were associated with establishing the collection of this information and modifies the ongoing burden hours associated with SNAP State agency eligibility workers in addition to bringing other burden activities associated with resource verification requirements into compliance.

DATES: Written comments must be received on or before (insert date that is 60 days after publication in the Federal Register).

ADDRESSES: Comments may be sent to: Program Design Branch, Program Development Division, Food and Nutrition Service, U.S. Department of Agriculture, 1320 Braddock Place, 5th Floor, Alexandria, VA 22314. Comments may also be submitted via email to Jessica Luna at

703-305- 4391 or via email to SNAPPDBRules@usda.gov. Comments will also be accepted through the Federal eRulemaking Portal. Go to <http://www.regulations.gov>, and follow the online instructions for submitting comments electronically.

All responses to this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will be a matter of public record.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of this information collection should be directed to Jessica Luna at 703-305- 4391.

SUPPLEMENTARY INFORMATION: Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions that were used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Title: Supplemental Nutrition Assistance Program: Reporting of Lottery and Gambling, and Resource Verification

Form Number: N/A

OMB Control Number: 0584-0621

Expiration Date: November 30, 2022

Type of Request: Revision of a currently approved collection and addition of an existing collection in use without an OMB control number.

Abstract:

Lottery and Gambling

In accordance with section 4009 of the Agricultural Act of 2014, households in which members receive substantial lottery and gambling winnings are ineligible for SNAP until they meet allowable financial resources and income eligibility requirements. Substantial winnings are defined as winnings that are equal to or greater than the resource limit for elderly or disabled households as defined in 7 CFR 273.8(b). States are also required to work cooperatively with entities responsible for gaming in their State to identify individuals and households with substantial winnings. SNAP households must report substantial winnings to State SNAP agencies. These requirements at 7 CFR 273.11(r) were implemented in 2019 through final rulemaking titled “Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons, Lottery and Gambling, and State Verification Provisions of the Agricultural Act of 2014”, published on April 15, 2019 (84 FR 15083, RIN 0584-AE41). A technical correction to the 60-Day Notice associated with this rulemaking was published on June 21, 2019 (84 FR 29029, RIN 0584-AE41).

In the process of renewing this information collection, FNS modified the reporting burden to remove the one-time start-up burden hours associated with the initial implementation of the requirements, such as establishing cooperative agreements. FNS also adjusted its calculation of burdens on State agency eligibility workers. Therefore, the burden for this set of requirements represents a decrease of -408,406.25 burden hours from the previous approval for this collection.

In the previous approval for this collection, the Agency assumed that 3 State SNAP agencies do not have lottery or gambling entities and are not likely to incur burden related to the lottery and gambling requirements. Because there is not an authoritative and comprehensive source of lottery and gambling legality information nationwide, and given wide variation across States, the Agency maintains this assumption for the purposes of this renewal.

The Agency assumes that the 50 State SNAP agencies subject to this requirement (the Agency assumes 3 State SNAP agencies do not have lottery or gambling entities) have already established cooperative agreements with the public agency gaming entities (1 per State, 50 total) and private gaming entities (4 per State, 200 total) in their State. These agreements use computerized data matching to identify winners within the SNAP participation list. The gaming entities must input data on each individual with winnings over the winnings threshold into the matching system, which FNS estimates to take 5 minutes (.0835 hours). There is no national database of how many people win large amounts of money in State lotteries or through gaming activities. Therefore, FNS will continue to use the previously approved estimates as there has been no indication that they require adjustment. The Agency assumes that each of the public and private gaming entities would have 6,000 individuals (members of the general public) who win over the threshold each year and whose data would need to be uploaded to the matching system. The information technology staff from each State SNAP agency maintains the matching system, which the Agency estimates takes 320 hours per year. Once the data is uploaded, the Agency assumes that matches occur automatically.

FNS estimates that 27,500 SNAP households will receive substantial lottery winnings per year, with most instances identified via the matching systems. FNS assumes that the matching systems will identify approximately 36,000 SNAP participants (average 720 per State agency) nationally each year. Of these, the State agencies will find that approximately 23,000 (average 460 per State agency) have actual substantial winnings (the others may be simply misidentified because of a similar name, inaccurate reporting, etc.). These matches are hereinafter referred to as “substantive matches.” Under 7 CFR 272.17 and 7 CFR 273.11(r), FNS anticipates that the 50 State SNAP agencies will receive approximately 13,000 records (average 260 per State agency) annually with misidentified participants. It will take about 40 minutes (.668 hours) for eligibility workers to identify each misidentification.

For each substantive match, an eligibility worker will do the following:

- The eligibility worker will generate a request for contact (RFC) requesting more information. The burden associated with RFCs is already accounted for in OMB Control Number 0584-0064 (expiration 2/29/2024) and is not counted in the total burden of this information collection.
- If the participant returns the RFC, the worker will review the returned information from the participant and engage in any additional verification. Under 7 CFR 272.17 and 7 CFR 273.11(r), FNS estimates that this will take eligibility workers approximately 20 minutes (.334 hours) and that approximately 80 percent of participants will return the RFCs. This estimate for the rate of return is based on a prior estimate in OMB Control Number 0584-0064 (expiration 2/29/2024) regarding RFCs. Therefore, FNS estimates that eligibility workers will handle approximately 18,400 returned RFCs (average 368 per State agency) from substantive matches.
- If the matched participant responds to the RFC and the eligibility worker finds them to be a substantial winner, the worker will close the case and send a notice of adverse action. If the participant does not return the RFC (an estimated 20 percent), the worker will close the case and send a notice of adverse action for failure to return the RFC. The burden associated with notices of adverse action is accounted for in OMB Control Number 0584-0064 (expiration 2/29/2024) and is not counted in the total burden of this collection.

Under 7 CFR 273.11(r), households are also required to report their substantial winnings to their State SNAP agency. Out of the 27,500 SNAP participants who will receive substantial lottery winnings, FNS estimates 23,000 substantial winners will be identified through the matching process and 4,500 households will self-report lottery and gambling winnings.

In response to the 4,500 (average 90 per State agency) households that self-report winnings, State eligibility workers will do the following:

- Under 7 CFR 272.17 and 7 CFR 273.11(r), Eligibility workers will review the

information submitted by the participant. FNS estimates that this will take eligibility workers approximately 11 minutes (0.1837 hours). This estimate is based on a prior estimate in OMB Control Number 0584-0064 (expiration 2/29/2024) for a similar simplified reporting requirement for able-bodied adults without dependents.

- If the eligibility worker finds the participant to be a substantial winner, the worker will close the case, and send notice of adverse action. Again, this burden is accounted for in OMB Control Number 0584-0064 (expiration 2/29/2024) and is not counted in the total burden of this collection.

Under 7 CFR 273.11(r), SNAP households identified as substantial lottery winners via the matching process will receive and potentially respond to RFCs and notices of adverse action.

The participant burdens associated with RFCs and notices of adverse action are accounted for in OMB Control Number 0584-0064 (expiration 2/29/2024) and are not counted in the total burden of this collection. FNS estimates that self-reporting households will spend 10 minutes (.167 hours) per response to report their substantial winnings to the State SNAP agency. FNS utilized the estimate of 10 minutes based on a prior estimate in OMB Control Number 0584-0064 (expiration 2/29/2024) for the time it takes a household to complete a periodic report.

FNS recognizes that households who previously lost eligibility for SNAP due to lottery or gambling winnings may later re-apply to the program. The burden associated with submitting and processing applications is accounted for in OMB Control Number 0584-0064 (expiration 2/29/2024) and is not counted in the total burden of this collection.

This section of the information collection does not require any recordkeeping burden.

Resource Verification

Per Section 5(g) of the Food and Nutrition Act, all applicant households must meet the SNAP resource limits unless they are considered categorically eligible (Section 5(j) of the Food and Nutrition Act) for SNAP benefits. State eligibility workers must evaluate the resources available

to each household to determine whether these households meet the SNAP resource limits as defined by 7 CFR 273.8(b). Resources are one of several criteria that SNAP State agencies use to determine SNAP eligibility and States may elect to mandate verification of resources (7 CFR 273.2(f)(3)). All States must verify any resource information that appears to be questionable, in accordance with 7 CFR 273.2(f)(2)(i).

With this information collection request, FNS is seeking OMB approval for the burden hours associated with resource verification information that is currently being collected in violation without a valid OMB control number or approved by OMB. Therefore, the burden hours for this requirement represent an additional 2,913,736.63 burden hours not included in the previous approval of this collection.

Households are considered categorically eligible for SNAP if each member receives certain cash assistance benefits, including Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF) assistance. States also have the option to implement broad-based categorical eligibility policies to deem recipients of non-cash or in-kind TANF benefits or services to be categorically eligible for SNAP. Out of 53 SNAP State agencies, 44 have adopted broad-based categorical eligibility policies. Therefore, only 9 States currently collect resource information as part of the SNAP eligibility determination process. State agencies conducting this process may need to contact financial institutions, Departments of Motor Vehicles, and other entities to obtain documentation of a household's resources. Households may need to submit proof of their available resources.

In 2018, FNS consulted with 8 States operating the resource test to estimate the amount of time that State agency staff spent verifying resources with clients at initial certification and subsequent recertifications. Through this consultation with States, FNS learned that 4 States verify resources when reported resources are close to the limit or questionable (hereinafter referred to as "High Limit" States), 2 States only verify when the report is questionable ("Self-

Attestation” States), and 2 States always verify resources (“Always” States). For the purposes of this estimate, FNS assumes the 9th State verifies when a household is close to the asset limit or questionable (“High Limit”). In 2021, FNS confirmed that the following estimates remained accurate by consulting with States that verify resources.

Using the estimates obtained during State consultation on resource verification, FNS estimates that State SNAP agency staff spend the following average times on resource verification:

- “High Limit” or “Self-Attestation” Staff: 12.3 minutes (0.205 hours) per case at initial certification and 7.4 minutes (0.123 hours) per case at recertification.
- “Always” Staff: 43.75 minutes (0.729 hours) per case at initial certification and 26.25 minutes (0.438 hours) per case at recertification.

To estimate the total burden hours on State agencies, FNS applied these average times to the most recently available participation data (FY20) for SNAP initial and recertification applicant households in the 9 States that verify resources.¹

FNS then estimated the burden hours for households to provide verification using the same FY20 participation data. The Agency estimates that providing verification would take 4 minutes (0.0668 hours) per household at initial certification and 6 minutes (.1002 hours) at recertification. These time estimates come from other verification activities in OMB Control Number 0584-0064 (expiration 2/29/2024). Using the estimates above for the number of households in each State subject to verification requirements, FNS then calculated the total number of households in each State that would have to participate in this annual burden in the chart below.

This section of the information collection does not require any new recordkeeping burden. The related recordkeeping burden for State agencies is currently covered under the approved information collection burden for application processing, OMB Control Number 0584-0064

¹ National Data Bank data from FY2020, FNS 366-B, Total Initial Applications and Total Recertification Applications. OMB Control Number 0584-0594 (expiration 7/31/2023).

(expiration 2/29/2024), which accounts for the casefile documentation that States maintain for each SNAP household at 7 CFR 273.2(f)(6).

Reporting

Affected Public Individuals/Household

Respondent Type: SNAP households

Estimated Number of Respondents: 30,977,197

Estimated Number of Responses per Respondent: 1.00

Estimated Total Annual Responses: 30,977,197

Estimated Time per Response: 0.078

Estimated Total Annual Burden on Respondents: 2,421,974.31

Affected Public State Agencies

Respondent Type: State SNAP agencies (50), State gambling and gaming entities (50)

Estimated Number of Respondents: 100

Estimated Number of Responses per Respondent: 21,740.38

Estimated Total Annual Responses: 2,174,038

Estimated Time per Response: 0.252

Estimated Total Annual Burden on Respondents: 548,170.07

Affected Public Business

Respondent Type: Business private gambling and gaming entities

Estimated Number of Respondents: 200

Estimated Number of Responses per Respondent: 6,000

Estimated Total Annual Responses: 1,200,000

Estimated Time per Response: 0.08

Estimated Total Annual Burden on Respondents: 96,000.00

Total Affected Public

Respondent Type: SNAP households, State SNAP agencies, State gambling and gaming entities,
and business private gambling and gaming entities

Estimated Number of Respondents: 30,977,497

Estimated Number of Responses per Respondent: 1.11

Estimated Total Annual Responses: 34,351,235

Estimated Time per Response: 0.089

Estimated Total Annual Burden on Respondents: 3,066,144.38

<i>Reference burden table below. Burden Activities</i>	Reg. Section	Respondent Type	Description of Activity	Estimated Number of Respondents	Estimated Frequency of Response	Estimated Total Annual Responses	Estimated Number of Burden Hours Per Response	Estimated Total Burden Hours	Burden Hours in Use without a Valid OMB Control Number	Previously Approved Burden Hours	Difference Due to Adjustments	Differences Due to Program Changes
Lottery & Gambling	7 CFR 273.11(r)	SNAP Individuals/ Households	*Self-report lottery or gambling winnings to State SNAP Agency	4,500	1	4,500	0.167	751.50	0.00	4,593.00	-3,841.50	0.00
Resource Verification	7 CFR 273.2(f)(1) & (2)	SNAP Individuals/ Households	Verification of resources at initial application	20,426,390	1	20,426,390	0.0668	1,364,482.85	1,364,482.85	0.00	N/A	0.00
	7 CFR 273.2(f)(8)(i)	SNAP Individuals/ Households	Verification of resources at recertification	10,546,307	1	10,546,307	0.1002	1,056,739.96	1,056,739.96	0.00	N/A	0.00
SNAP Individual/Household Subtotal Reporting				30,978,697	1.00	30,978,697	0.078	2,422,224.81	2,421,222.81	4,593.00	-3,841.50	0.00
Lottery & Gambling	7 CFR 272.17 (a) & (b)	State SNAP Agency Managers	**Establish cooperative agreements with State public agency and private business gaming entities	0	0	0	0	0.00	0.00	80,000.00	-80,000.00	0.00
	7 CFR 272.17 (c)	State Public Agency Gaming Entity Managers	**Establish cooperative agreements with State SNAP agency	0	0	0	0	0.00	0.00	16,000.00	-16,000.00	0.00
	7 CFR 272.17 (c)	State SNAP IT Staff	**Create a data matching system with State public agency and private business gaming entities	0	0	0	0	0.00	0.00	208,000.00	-208,000.00	0.00
	7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up (matched, misidentified)	50	260	13,000	0.668	8,684.00	0.00	8,671.00	13.00	0.00
	7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up (matched, substantive)	50	368	18,400	0.334	6,145.60	0.00	23,000	-16,027.75	0.00
	7 CFR 272.17 and 7 CFR 273.11(r)	State SNAP Agency Eligibility Worker	Eligibility worker follow-up (self-reported winners)	50	90	4,500	0.184	826.65	0.00			
	7 CFR 272.17 (c)	State Public Agency Gaming	Input data into data matching system for use by State SNAP agency	50	6,000	300,000	0.08	24,000.00	0.00	24,000	0.00	0.00

		Entity Staff Member										
	7 CFR 272.17 (c)	State SNAP IT Staff	Maintain a data matching system with State public agency and private business gaming entities	50	1	50	320	16,000.00	0.00	16,000	0.00	0.00
Resource Verification	7 CFR 273.2(f)(1) & (2)	State SNAP Agency Eligibility Worker	Verification of resources at initial application (States verifying all resources)	2	119,172	238,344	0.729	173,752.78	173,752.78	0.00	N/A	0.00
	7 CFR 273.2(f)(1) & (2)	State SNAP Agency Eligibility Worker	Verification of resources at initial application (States verifying resources if questionable)	2	119,172	238,344	0.205	48,860.52	48,860.52	0.00	N/A	0.00
	7 CFR 273.2(f)(1) & (2)	State SNAP Agency Eligibility Worker	Verification of resources at initial application (States verifying resources if close to the limit)	5	119,172	595,860	0.205	122,151.30	122,151.30	0.00	N/A	0.00
	7 CFR 273.2(f)(8)(i)	State SNAP Agency Eligibility Worker	Verification of resources at recertification (States verifying all resources)	2	85,060	170,120	0.438	74,512.56	74,512.56	0.00	N/A	0.00
	7 CFR 273.2(f)(8)(i)	State SNAP Agency Eligibility Worker	Verification of resources at recertification (States verifying resources if questionable)	2	85,060	170,120	0.123	20,924.76	20,924.76	0.00	N/A	0.00
	7 CFR 273.2(f)(8)(i)	State SNAP Agency Eligibility Worker	Verification of resources at recertification (States verifying resources is close to the limit)	5	85,060	425,300	0.123	52,311.90	52,311.90	0.00	N/A	0.00
State Agency Subtotal Reporting				100	21,740.38	2,174,038	0.252	548,170.07	492,513.82	375,671.00	- 320,014.75	0.00
Lottery & Gambling	7 CFR 272.17 (a) & (b)	Private Business Gaming Entity Managers	**Establish cooperative agreements with State SNAP agency	0	0	0	0	0.00	0.00	64,000	-64,000.00	0.00
	7 CFR 272.17 (c)	Private Business Gaming Entity Staff Member	Input data into data matching system for use by State SNAP agency	200	6,000	1,200,000	0.08	96,000.00	0.00	96,000	0.00	0.00
Business Subtotal Reporting				200	6,000.00	1,200,000	0.08	96,000.00	0.00	160,000.00	-64,000.00	0.00
Reporting Grand Total Burden Estimates				30,978,997	1.11	34,352,735	0.089	3,066,394.88	2,913,736.63	540,264.00	- 387,856.25	0.00

* FNS assumes that all participants reporting lottery and gambling winnings will also have either an initial or recertification application in the same year. To avoid double counting, these households are not separately included in the total number of respondents for this section.	
** The start-up burden from the previous approval for this collection has been removed from the renewal.	

Cynthia Long,
Administrator,
Food and Nutrition Service.

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